



**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
ON APPEAL FROM THE EXAMINER TO THE BOARD  
OF PATENT APPEALS AND INTERFERENCES**

In re Application of: Patrick J. Sullivan, et al.  
Serial No.: 08/889,889  
Filing Date: July 8, 1997  
Confirmation No. 4013  
Group Art Unit: 2613  
Examiner: Anand Shashikant Rao  
Title: *Video Surveillance System and Method*

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**Reply Brief**

Appellants have appealed to this Board from the decision of the Examiner, contained in a final Office Action mailed April 21, 2004 (the "*Final Office Action*"), finally rejecting Claims 1-42. Appellants mailed a Notice of Appeal on June 21, 2004 and filed an Appeal Brief on August 23, 2004. The Examiner responded in an Examiner's Answer mailed January 27, 2005 (the "*Examiner's Answer*"). Appellants respectfully submit this Reply Brief.

In the *Examiner's Answer*, the Examiner continues to rely on *Schwab* and *Ishida* and attempts to address Appellants' analysis. However, the Examiner's attempted rebuttal only highlights again the deficiencies of the references. This Reply Brief addresses selected points raised by the *Examiner's Answer* without providing a detailed reiteration of the analysis in the Appeal Brief.

**A. The Grouping of the Claims is Proper.**

In the *Examiner's Answer*, the Examiner disputes Appellants' grouping of the claims for two reasons: (1) Appellants have allegedly "failed to provide an argument supporting the differing limitations of the group II claims 22-42," and (2) Appellants have allegedly "supported the patentability of the group II with substantially the same arguments used in supporting the group I claims 1-21." An examination of Section II of the Argument presented in the Appeal Brief reveals that the Examiner is mistaken on both points.

The first paragraph of Section II of the Appeal Brief directly addresses the separately patentable limitations in the Group II claims, stating:

Claims 22-42 recite additional and separately patentable limitations that are not recited in independent Claims 1 and 11 and that are not disclosed in the cited references. For example, Claim 22 recites a system having a client "operable to accumulate and store the data and video as a digital file," and Claim 33 recites a method including steps of "accumulating generated data and video for multiple financial transactions; storing the accumulated data and video as a digital file until the client connects to the server; [and] transmitting the digital file using a communications network upon connection of the client and the server." Claims 23-32 depend on Claim 22, and Claims 34-42 depend on Claim 33. Thus, Claims 22-42 are separately patentable over the cited references.

Therefore, the Examiner's first reason for opposing Appellants' grouping lacks merit.

The Examiner's second reason is both logically deficient and factually incorrect. Claims in Group II include selected limitations similar to claims in Group I. Therefore, the two groups of claims are patentable over *Schwab* and *Ishida* for the same reasons. This in no way impacts whether Group II claims have additional patentable limitations. Thus the Examiner's statement is logically insufficient to oppose Appellants' grouping of the claims.

Also, in Section II.A of the Appeal Brief, Appellants point out additional patentable limitations of the Group II claims that *Schwab* fails to disclose. The Examiner has failed to

address these limitations. By refusing to acknowledge the additional patentable limitations and requesting the Board to address only the Group I claims, it appears that the Examiner is attempting to conceal the lack of support for the rejections of the Group II claims.

Appellants respectfully request the Board to maintain Appellants' proposed grouping of the claims.

**B. The Examiner's Arguments Reveal the Failings of the § 102 Rejection.**

In response to Appellants' analysis demonstrating that *Schwab* fails to support the § 102 rejection, the Examiner clarifies his arguments. These clarifications, however, drive home the failings of *Schwab*. See, *Examiner's Answer*, at page 5-6.

With respect to the § 102 rejection, the *Examiner's Answer* begins with the teachings of *Schwab* and then follows a "chain of logic" to propose functions that the reference does not teach. In the *Examiner's Answer*, the Examiner references *Schwab's* unrelated disclosures of (a) the imaging of items and (b) the performance of financial transactions. Based on these disclosures, the Examiner "[f]ollow[s] this chain of logic" to assert that "Schwab images not only user images but financial transaction images as well." See *Examiner's Answer*, at page 5. This statement has no support in the teachings of *Schwab*. Also, nothing in *Schwab* would inherently provide the Examiner's proposed operation. At best, this "chain of logic" is merely the Examiner's speculation as to modifications of *Schwab* to make its operation more closely relate to Appellants' claims. This improper speculation certainly cannot support a § 102 rejection, which requires *Schwab* to teach, either expressly or inherently, each and every limitation in the claims.

The Examiner next addresses the real-time video monitoring aspects of Appellants' claims. As teaching these aspects, the Examiner points to *Schwab's* disclosure related to the access of centrally stored images by local data terminals. See *Examiner's Answer*, at page 6. Specifically, the Examiner references a portion of *Schwab* disclosing that a central database can download images to local data terminals, on demand, at the time of a transaction. "The Examiner asserts that the *at the time* qualifier established by the reference reads on the 'real time' limitation of the claimed invention . . . ." *Examiner's Answer*, at pages 6-7 (emphasis in original). The referenced portion of *Schwab*, however, discloses the transmission of an image *from* a central database *to* a terminal performing a transaction. In contrast, the claims include a server that receives data and video of a financial transaction from a client for

display in real-time at the server. Also, since the central database in *Schwab* does not perform any financial transaction, common sense dictates that the downloading of an image from *Schwab*'s central database does not involve the generation and transmission of data and video of a financial transaction.

Appellants have demonstrated, both here and in the Appeal Brief, that *Schwab* fails to support the rejection of Appellants' claims. The *Examiner's Answer* merely highlights the deficiencies of *Schwab*. Appellants thus respectfully request the Board to reverse the final rejection and instruct the Examiner to issue a Notice of Allowance with respect to all pending claims.

**C. The Examiner's Arguments Reveal the Failings of the Proposed Combination.**

In the Appeal Brief, Appellants demonstrated that the proposed combination of *Schwab* and *Ishida* fails all three requirements for a proper combination under § 103. The Examiner responds on all three points, but as with the Examiner's arguments with respect to the earlier rejection, the response merely highlights the failings of the proposed combination.

First, with respect to the suggestion or motivation for the combination, the Examiner continues his reliance on the mere mention of a video-phone in *Schwab* as motivating the combination with the video conversation system of *Ishida*. Specifically, the Examiner asserts that the full knowledge of one of ordinary skill in the art would provide motivation for the combination, given that the "field of endeavor would include both Schwab and Ishida since they pertain to technology of video-phones." See *Examiner's Answer*, at page 8. The field of video-phones is not, however, the relevant field of art in the present case. The present application relates to video surveillance systems for client devices performing financial transactions.

Also, the Examiner's characterization of *Schwab* as pertaining to the technology of video-phones is misguided. *Schwab* mentions the use of video-phones only once, at column 2, lines 20-23. In this discussion, *Schwab* discloses the use of a video-phone in connection with a customer making a purchase from a transaction terminal while not physically present at the transaction terminal. See *Schwab*, at column 2, lines 1-25. By having a video-phone connection, the operator of the transaction terminal may visually compare the person on the video-phone with a secure image retrieved from a central image database. *Id.* However, this

mere mention of video-phones does not qualify the secure identification system of *Schwab* as in the field of endeavor pertaining to technology of video-phones.

Second, with respect to the reasonable expectation of success, the Examiner relies on the interaction between a customer and an operator of a transaction terminal. This discussion, however, does not relate to any transmissions between *Schwab's* central image database and the transaction terminal. In the claims at issue, a client performing a financial transaction generates audio of the transaction and transmits the audio, along with data and video, to the server. The introduction of a video-phone for communications between a customer and a terminal operator thus fails to relate to the claimed aspects, and provides no expectation of success for the addition of *Ishida's* video conversation system into the secure identification system of *Schwab*. The Board should disregard the Examiner's reliance on this unrelated discussion in *Schwab*.

Third, with respect to the requirement that the proposed combination teach or suggest each and every limitation, the Examiner responds that one cannot show non-obviousness by attacking references individually. While the Examiner's characterization of the law is accurate, his reliance on this standard is misplaced. In the present case, Appellants have demonstrated that the combination as a whole, if permitted, fails to teach or suggest each and every limitation of the claims.

The proposed *Schwab-Ishida* combination thus fails all three requirements for a *prima facie* case of obviousness. For any one of these reasons, the rejection based on the proposed *Schwab-Ishida* combination is thus improper, and Appellants respectfully request the Board to reverse the rejection of Claims 4 and 14.

**Conclusion**

Appellants have demonstrated that the present invention, as claimed, is patentable over the prior art cited by the Examiner. Therefore, Appellants respectfully request the Board to reverse the final rejections and instruct the Examiner to issue a Notice of Allowance with respect to all pending claims.

Although Appellants believe no fees are due, the Commissioner is hereby authorized to charge any additional fees and credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

BAKER BOTTS, L.L.P.  
Attorneys for Appellants

A handwritten signature in black ink, appearing to read 'Kurt M. Pankratz', is written over the printed name.

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Date: March 28, 2005

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